

## **New Mexico Telecommunications Legislation Timeline: Key Statutes**

- Pre-1985** All incumbent local exchange carriers subject to the same regulatory structure, including rate-of-return regulation
- 1985** **New Mexico Telecommunications Act**
- Policy: orderly transition from a regulated telecommunications industry to a competitive market environment
  - Established certification process for competitive local exchange carriers (“CLECs”)
  - Allowed negotiated terms (ICBs) for customers prepared to obtain service from an alternate source
  - **Effective competition statute:** The Commission shall modify, reduce or eliminate rules, regulations and other requirements when it has determined that a service is subject to effective competition
  - In determining whether a service is subject to effective competition, the Commission shall consider the following:
    - ✓ The extent to which services are reasonably available from alternate providers in the relevant market areas
    - ✓ The ability of alternate providers to make functionally equivalent or substitute services readily available at competitive rates, terms, and conditions
    - ✓ Existing regulatory barriers
- 1999** **Rural Telecommunications Act of New Mexico (“RTA”)**
- “Disparate regulatory treatment” between rural telephone carriers and non-rural telephone carriers
  - Relaxed regulation, reducing the cost of regulation as well as the regulatory burden for rural carriers
  - Applies to carriers with less than 50,000 lines in the state designated as eligible telecommunications carriers by 11/1/97 (2013 amendment: removed deadline)
  - Rate-of-return regulation for carriers with less than 5% of the state’s subscriber lines (2013 amendment: removed 5%, now applies to all)
  - Business tariffs effective after 10 days’ notice to Commission and publication
  - Residential rate increases effective after 60 days notice to affected subscribers unless reviewed by commission upon protests of 2-1/2% of affected subscribers or commission staff’s motion for good cause (2013 amendment: exception for increases to comply with federal or state law or rule)
  - Created state rural universal service fund (“SRUSF”)

**2000**

**“AFOR” Legislation**

- Applies to carriers with over 50,000 lines in the state (amended 2004: excludes mid-sized carriers; therefore, applies to over 375,000 lines)
- Commission directed to eliminate rate-of-return regulation and adopt alternative form of regulation that includes price caps
- Commission to adopt rules regarding consumer protection, quality of service, investment in rural and urban infrastructure, availability of high speed-data in rural and urban areas, interconnection with CLECs, expedited regulatory process

**2004**

**“Mid-Size Carrier” Legislation**

- “Separate” regulation for mid-sized carriers
  - ✓ Minimize regulatory costs
  - ✓ Establish a level of regulation between regulation applying to rural carriers and other incumbent local exchange carriers
  - ✓ Ensure universal service, investment in telecommunications infrastructure, and availability of affordable rates for basic local service
  - ✓ Encourage competition and economic growth and development through efficient deployment of telecommunications services
- Applicable to carriers with more than 50,000 and less than 375,000 lines in the state
- Indexed price ceiling for basic services
- Commission to consider factors that differentiate mid-size carriers
  - ✓ Number of lines
  - ✓ Types of markets
  - ✓ Prices charged by others relative to mid-size carriers’ prices
  - ✓ Historical performance regarding quality and consumer protection
  - ✓ Experience of carriers under current or previous forms of regulation

**2005**

**Amendments to RTA**

- Various changes to SRUSF
- Required reduction of intrastate switched access charges to interstate levels, with funding from the SRUSF

**2013**

**Amendments to RTA (House Bill 58)**

- Rate/funding cases to be decided within 9 months, with an additional 3 months if needed
- Commission to adopt rules to provide reduced filing requirements
- Clarified that SRUSF funding is available to alternative service providers
- Commission to establish a cap on the SRUSF surcharge